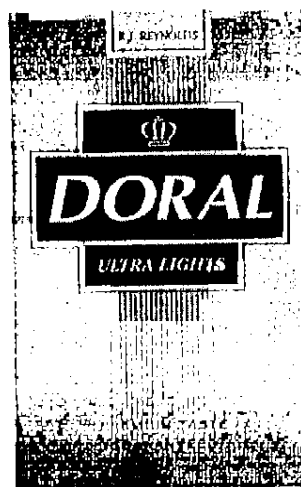
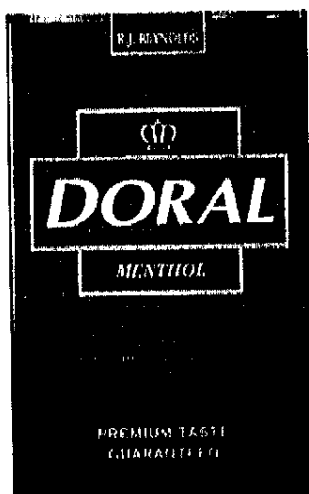




"Discover Our New Look"

(Direct Accounts)



51856 9973



Old Pack

The DORAL brand is based on the fundamental belief of always giving the consumer the best - a quality cigarette at a fair price. Over the years, the brand has become known as "the gold standard of savings" - the best tasting, best looking, highest quality brand in the segment. Consumers consistently rank DORAL above both Basic and GPC on these types of important attributes.

DORAL is:

- RJR's largest selling brand
- The number one selling savings brand
- The second largest selling brand in the US (second only to Marlboro)
- The fastest growing brand in the US

DORAL's new packaging builds on the strengths of the current pack and improves these areas. Testing of this design was extremely positive among franchise, competitive savings, and full price savings sensitive - among the highest scores ever received on any RJR package design to date.

1. The addition of the DORAL blue color across the entire family - a distinct quality cue in the mind of the consumer, as well as a bold, cohesive statement on shelf.
2. Updating the DORAL logo to match retail POS.
3. More emphasis on the guarantee - a more ownable as well as more significant statement.
4. A dramatic revision to carton graphics, increasing branding visibility and the ability to effectively waterfall the brand.

National Top Ten Savings Brand Styles - Based on 1997 Data

DORAL Lt 100	Basic FF 100
Basic Lt 100	DORAL Lt 85
DORAL UL 100	GPC FF 85
DORAL FF 100	DORAL Lt M100
GPC FF 100	GPC Lt 100

51856 9974

DORAL New Packaging Timeline

Activity	Week of
• First Order Date for June Promotions (New Graphics)	4/27/98
• Field Begins Weekly Coverage of Direct Accounts - Monitor Old Graphic Inventory Levels & selling program to retail accounts	5/4/98
• Last Ship Date - Old Graphics Product - to Direct Accounts	5/8/98
• Remove/Return Old Graphics Product from Public Warehouses -	5/8/98
• First Ship Date - New Graphics Product - to Direct Accounts	5/4/98 to 5/11/98
• First Ship Date - New Graphics Product - to Retail	5/18/98
• Field Identifies Accounts with Excess Old Graphic Inventory	6/1/98
• Direct Accounts Begin Shipping June Promotions (New Graphics) to Retail	6/15/98
• Remove Old Graphic Product from Direct Accounts	6/26/98
• Return Old Graphics Product From Retail	10/5/98

DORAL New Packaging

- 1) Direct account could begin to receive the new DORAL packaging as early as **May 4, 1998**.
- 2) All new DORAL packaging will be in white cases (for 3 months) to assist in product rotation. The direct account will ensure the old DORAL packaging moves out first, before shipping the new DORAL. **UPC codes will not change.**
- 3) Beginning **May 4, 1998**, Field Sales will make weekly coverage on all direct accounts to ensure that they are properly rotating all DORAL brand styles and that no new DORAL product is being shipped before the old packaging is gone. **Keep in mind that the timing of shipments will be different for each DORAL brand style** -- particular focus on slower moving/lower share styles is important.
- 4) Identify a small number of high volume stores (emphasis on carton outlets) **June 1** where old graphic product can be shipped and sold through for shipment by **June 26, 1998**. In addition, all DORAL promotion product with old graphics remaining at direct accounts should be targeted for distribution to high volume outlets.
- 5) **On Friday, June 26**, all remaining inventory of old graphics product should be shipped back to Winston-Salem. These inventories should be shipped back to Winston-Salem only after orders replacing the total inventory amount are placed.

<u>Configuration</u>		<u>Length (in)</u>	<u>Width (in)</u>	<u>Height (in)</u>	<u>Weight</u>
85mm - 20's - SP - 24.8mm					
Pack		2.0625	0.8438	3.3750	
Carton		10.625	1.7813	3.4375	8.67 oz
Case (Inner Dimensions)	6M	17.375	10.8125	10.625	16.0 lbs
	12M	17.375	10.8125	21.1875	33.5 lbs
100mm - 20's - SP - 24.8mm					
Pack		2.0625	0.8438	4.0000	
Carton		10.625	1.7813	4.0313	10.13 oz
Case (Inner Dimensions)	6M	20.3125	10.8125	10.625	21.0 lbs
	12M	20.3125	10.8125	21.1875	39.0 lbs
98mm - 20's - CPB - 24.0/24.4mm					
Pack		2.2188	0.9375	3.9688	
Carton		11.125	1.875	4.0625	11.47 oz
Case (Inner Dimensions)	6M	20.375	11.4375	11.1875	22.0 lbs
	12M	20.375	11.4375	22.3125	44.0 lbs
83mm - 20's - CPB - 24.4mm					
Pack		2.2047	0.9055	3.4055	
Carton		11.125	1.875	3.4375	10.13 oz
Case (Outer Dimensions)	6M	17.375	11.3125	11.1250	19.8 lbs
	12M	17.375	11.3125	22.250	39.0 lbs

<u>Style</u>	<u>Pack UPC</u>	<u>Carton UPC</u>	<u>Case UPC</u>
DORAI			
FF85	0 123663 6	0 12300 16613 3	000 12300 16612 6
FF100	0 123533 6	0 12300 15313 3	000 12300 15312 6
FFCP83	0 12300 84099 6	0 12300 84013 2	000 12300 84006 4
FFCP100	0 12300 22079 8	0 12300 22080 4	000 12300 22081 1
L185	0 123513 2	0 12300 15113 9	000 12300 15112 2
L1100	0 123523 9	0 12300 15213 6	000 12300 15212 9
L1CP83	0 12300 84199 3	0 12300 84113 9	000 12300 84106 1
L1CP100	0 12300 22082 8	0 12300 22083 5	000 12300 22084 2
UL85	0 12300 20055 4	0 12300 25513 4	000 12300 25506 6
UL100	0 123673 3	0 12300 16713 0	000 12300 16712 3
FFM85	0 123423 0	0 12300 14213 7	000 12300 14206 9
FFM100	0 123913 8	0 12300 19113 5	000 12300 19106 7
L1M85	0 123573 4	0 12300 15713 1	000 12300 15706 3
L1M100	0 123583 1	0 12300 15813 8	000 12300 15812 1
NF85	0 12300 84699 8	0 12300 84613 4	000 12300 84606 6
FFMCP83	0 12300 23283 8	0 12300 23284 5	000 12300 23285 2

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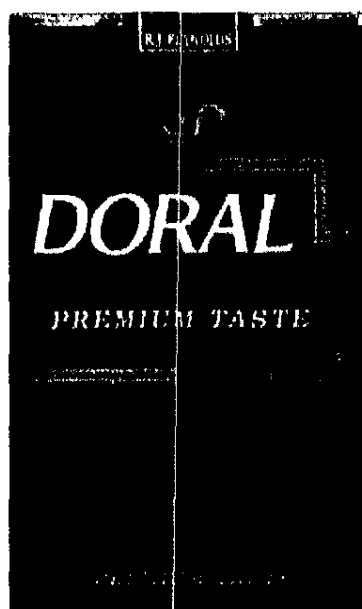


"Discover Our New Look"

(Retail Accounts)



51856 9978



Old Pack

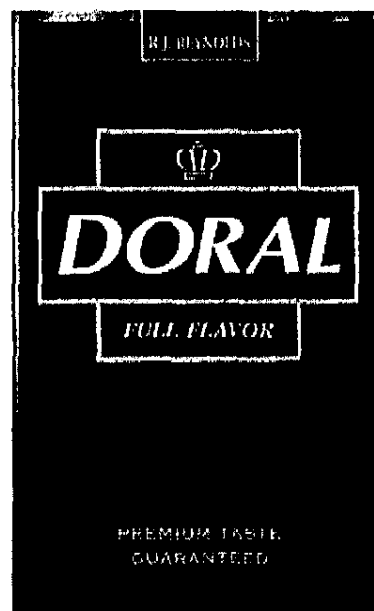
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New Pack

National Top Ten Savings Brand Styles - Based on 1997 Data

DORAL Lt 100

Basic Lt 100

DORAL UL 100

DORAL FF 100

Basic FF 100

DORAL Lt 85

GPC FF 85

DORAL Lt M100

51856 9979

GPC FF 100

GPC Lt 100

51856 9980

**DORAL New Packaging
Timeline**

<u>Activity</u>	<u>Week of</u>
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• Direct Accounts Begin Shipping June Promotions (New Graphics) to Retail	6/15/98
• Remove Old Graphic Product from Direct Accounts	6/26/98
• Return Old Graphics Product From Retail	10/5/98

51856 9981

<u>Configuration</u>		<u>Length (in)</u>	<u>Width (in)</u>	<u>Height (in)</u>	<u>Weight</u>
85mm - 20's - SP - 24.8mm					
Pack		2.0625	0.8438	3.3750	
Carton		10.625	1.7813	3.4375	8.67 oz
Case (Inner Dimensions)	6M	17.375	10.8125	10.625	16.0 lbs
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<u>Style</u>	<u>Pack UPC</u>	<u>Carton UPC</u>	<u>Case UPC</u>
DORAL			
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FI 100	0 123533 6	0 12300 15313 3	000 12300 15312 6
FI CP83	0 12300 84099 6	0 12300 84013 2	000 12300 84006 4
FI CP100	0 12300 22079 8	0 12300 22080 4	000 12300 22081 1
LI 85	0 123513 2	0 12300 15113 9	000 12300 15112 2
LI 100	0 123523 9	0 12300 15213 6	000 12300 15212 9
LI CP83	0 12300 84199 3	0 12300 84113 9	000 12300 84106 1
LI CP100	0 12300 22082 8	0 12300 22083 5	000 12300 22084 2
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UL 100	0 123673 3	0 12300 16713 0	000 12300 16712 3
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FI MCP83	0 12300 23283 8	0 12300 23284 5	000 12300 23285 2

51856 9582

THE DORAL "BIG AMERICAN ADVENTURE" SWEEPSTAKES

Consumer Sweepstakes Details

- Eligible to smokers 21 years of age and older.
- Entry Forms will be available at retail, in magazines, Sunday newspapers and through direct mail.
- Completed entry forms must be postmarked by August 24, 1998

Grand Prize - The "Big American Adventure" - 10 winners and a guest will go on an 9 day/8 night chartered plane trip to:

- Memphis, TN - Paddleboat Tour of the Mississippi
- Las Vegas/ Grand Canyon - Gambling, Nightlife, Sight Seeing
- San Diego, CA - Sailing
- Albuquerque, NM - Hot Air Ballooning
- Atlanta, GA - Site of the next DORAL Celebration

First Prize - 1,500 winners will receive a 2-piece canvas luggage set

Second Prize - 2,500 winners will receive a coupon for a free carton of DORAL

"The Big American Adventure" Sweepstakes will support the new look of DORAL and have an emphasis in:

Retail : DORAL's "New Look" and sweepstakes message will be delivered via print outdoor and direct marketing media during June and July.

Magazines: June/July New Look/Sweepstakes advertisement placed in 20 different publications. Total circulation: 83 million

Outdoor - Billboards: June/July Billboards speaking to the New Look and Sweepstakes

Direct Mail: Approximately 1.2 million franchise and competitive smokers will receive a free pack and carton coupon offers and a Sweepstakes Entry Form mailing during June/July announcing DORAL's New Look, The Big American Adventure Sweepstakes.

Personal Selling: Carton inserts informing DORAL smokers of the package change will be placed in 8 million cartons of old graphics product (approximately 3 week's inventory). This product began to show up at retail week of March 30, 1998

51856 9983



Dear Retailer:

Prepare yourself for a lot of excitement, a lot of store traffic, and even more sales. Because DORAL is launching "The Big American Adventure" Sweepstakes. It's a huge promotion that offers your customers a chance to win a once in a lifetime trip. Ten grand prize winners and their invited guest will be awarded a 9-day/8-night adventure aboard a chartered plan with stops and adventures in thrilling American locations such as: Las Vegas, NV, Albuquerque, NM, the Grand Canyon, the Mississippi River in Memphis, TN and Atlanta, GA.

A Sweepstakes event like this one is sure to generate excitement and extra store traffic. We're sending a complete program of in-store display materials for you to use to increase awareness of the sweepstakes and generate sales.

And, there's \$20 in it for you *if* you display the following materials and leave them up through the month of July. These materials are available exclusively to RJR Partner Stores. RJR Reps will pay you during their July visits. The required pieces are:

Pack Outlets

Fasel Card with Take-Ones
Match Caddy with Take-Ones
Dangler, Small Paster, or Floor Mat (if applicable)

CTS Outlets

Standee with Take-Ones
Match Caddy with Take-Ones
Banner or Large Paster

Also, promotional displays must remain place until
all DORAL promotional offers have been sold.

So you'll not only see additional customers and additional sales, but a quick \$20 when you display the required promotional materials through July. It's as easy as that. And as exciting. Prepare yourself for a tremendous opportunity to cash in.

THE DORAL "BIG AMERICAN ADVENTURE" SWEEPSTAKES

- To: All Store Managers
- I authorize the below listed program with the necessary items as outlined. Your assistance in cooperating with RJR to place and maintain these items is appreciated.

Retailer Incentive Program Qualifiers:

1) Place the below items in prominent locations and maintain them through July:

- Pack Outlets	OR	CTS Outlets
Easel Card with Take-Ones		Standee with Take-Ones
Match Caddy with Take-Ones		Match Caddy with Take-Ones
Dangler or Floor Mat or Paster		Banner <u>or</u> Large Paster

2) Ensure that the display provided with the June DORAL promotion is used to display the DORAL promotional offers in a prominent location in your store.

- \$20 Retailer Incentive payment for all stores that meet the above qualifications
- Pack Outlet Partners and CTS Outlet Partners will receive Direct Store Delivery a POS Kit featuring Sweepstakes/New Look advertising.
 - * Excludes Partners in restricted Sweepstakes states: Virginia, Massachusetts, Michigan.
- A letter informing you of the **\$20 Incentive Program** and participation requirements will be included in all Kits shipped to retail.

Kits will arrive at retail the week of 5/18/98. Placement of POS materials by store managers should occur immediately upon receipt.

- Placement on the primary counter near the cash registers for the Match Caddies and Easel cards will enhance your Sweepstakes Take-One Entry Forms.
- Sincerely,

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Match Caddy



Matches



Counter Easel



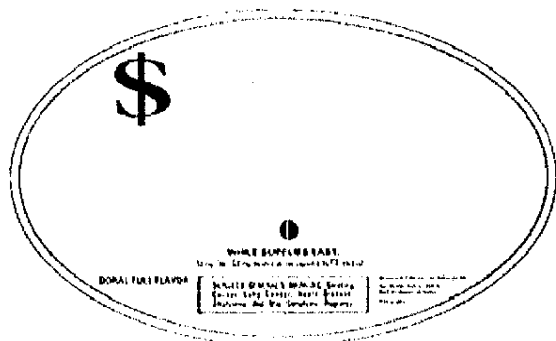
Standee

Authorized Signature _____
Date _____

51856 9986



Floor Mat



Dangler with Pricing



Static Cling

Authorized Signature _____
Date _____

510070 500071



Wobbler



2 x 3 Banner



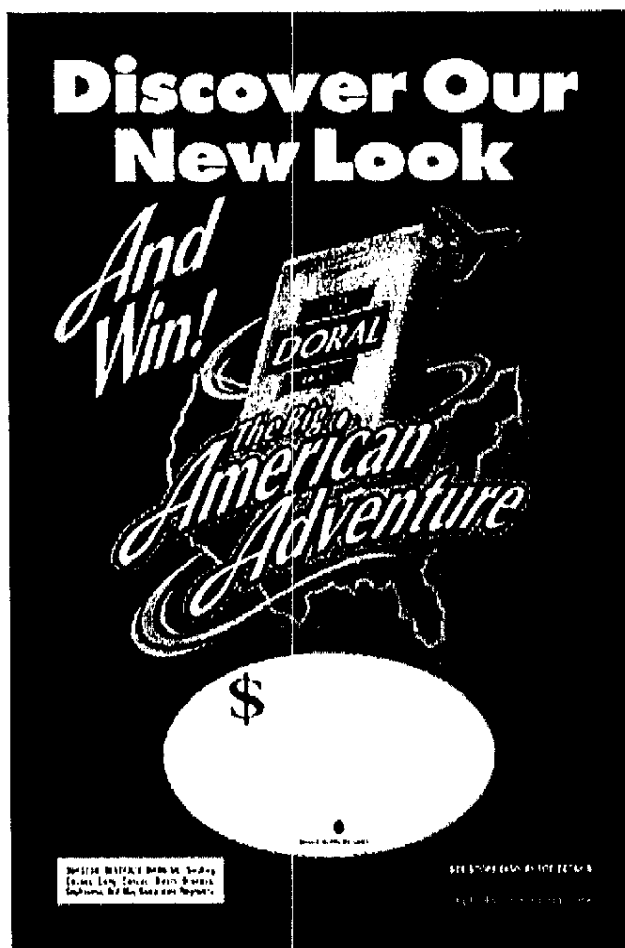
3 x 5 Digital 8 Banner

Authorized Signature _____
Date _____

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Sweepstakes Take Ones



Large Paster



Small Paster

Authorized Signature _____
Date _____

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DORAL Big American Adventure

Proposed Itinerary

Saturday, October 17

- Winners depart commercially from home city to Winston-Salem.
- Tour Tobaccoville in afternoon as a group (bus transportation).
- Reception in evening (live band, dinner, DORAL team members).

Sunday, October 18

- Depart in morning for Memphis via chartered aircraft (travel time approximately 1 hour 50 minutes).
- Tour Graceland upon arrival (chartered bus, VIP tour).
- Afternoon free to explore Beal Street.
- Dinner cruise aboard Memphis Queen Paddleboat.

Monday, October 19

- Depart in morning for Las Vegas (travel time approximately 4 hours).
- Gambling/free time in afternoon.
- Evening Show (Siegfried & Roy).

Tuesday, October 20

- Depart late morning for Grand Canyon helicopter trip. Includes lunch in canyon (4 hours).
- Evening free time.

Wednesday, October 21

- Depart morning for San Diego (travel time approximately 1 hour).
- Chartered sailboat trip around San Diego.

Thursday, October 22

- Morning explore San Diego.
- Depart San Diego to Albuquerque in afternoon (travel time approximately 1 hour 40 minutes).

Friday, October 23

- Morning hot air balloon ride in Albuquerque.
- Afternoon/evening explore Albuquerque on your own.

Saturday, October 24

- Morning departure for Atlanta (travel time 3 hours).
- Arrive approximately 11:00 a.m. to attend DORAL Celebration.

Sunday, October 25

- Return all winners via commercial aircraft from Atlanta to home cities.

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